

## Nigeria Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Nigeria's national cooperative legal framework, based on the work of national legal experts and ICA member input.

In Nigeria, the Nigerian Co-operative Societies Act Cap N98 2004 (NCSA/Federal Act), is the supreme legislation on co-operative societies. There are other legal sources for the rules and regulations for the formation, operation and dissolution of cooperative societies in Nigeria.

**Main regulations:** This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report.

Regulation	Brief Description
The Constitution of the Federal Republic of Nigeria 1999 (as amended)	
The Nigerian Cooperative Societies Act CAPN98 2004 (formerly Decree No. 90 of 1993)	This is a re-enactment of the Nigerian Cooperative Societies' Decree No. 90 of 1993
States Cooperative Societies Law and Regulations	This is made pursuant to state laws.
By-laws of individual cooperative societies	

**Cooperative Friendliness:** From the view of ICA contributing member organizations, the degree of “cooperative friendliness” of the national legislation is very limited so much that there are very few legislative provisions promoting growth and development of cooperatives.

These notable “cooperative friendly” provisions include giving cooperatives the autonomy to make its own laws (bye-laws), control the investment of its funds and exercise its discretion in the choice of an auditor to audit its accounts. Also, exemption from certain taxes by both the State and Federal law is another good practice.

**Key recommendations for improvement:** There should be an improvement in the legal framework that will promote decentralization of powers between the state cooperative body and the federal apex bodies, allow flexibility in cooperative by-laws rather than the imposition of template by-laws by the Ministry and there is a need to establish a financial aid scheme at single digit interest rate by government to promote cooperative business.

**Conclusions:** The legislation whether at the Federal or State level should not be overly prescriptive as it is presently, but create an atmosphere conducive to cooperative autonomy and development. The legal framework should curb give freedom to the societies to define the parameters for their management and business activities.

